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PREPARED BY: Liz Hruska  
DATE PREPARED: February 16, 2011  
PHONE: 471-0053

LB 651

Revision: 01

Revised to include agency response

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	280,920		266,920	
CASH FUNDS	280,920		266,920	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	561,840		533,840	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill requires the Foster Care Review Board to conduct an annual audit and survey of foster care for five years paid for by the Department of Health and Human Services. The audit would consist of a random sampling of 800 foster care placements and all placements of children in care for over three years. The audit shall provide information regarding whether statues and rules and regulations are being followed and what improvements need to be made. A survey of current foster parents, those who have left the system in the previous three years, state caseworkers, contracted case workers, guardians ad litem and court appointed special advocates shall be conducted regarding their experience with foster care and confirm and identify issues and problems with the foster care system and any other information useful to analyze and improve foster care.

In 2006, the Governor proposed a comprehensive study of the foster care system by an outside consultant. The amount in the Governor's recommendation was \$500,000. This study in this bill has a smaller scope but is more comprehensive in the focus on in-home foster care. The number of cases that would need to be reviewed under the audit would be 1,387 (a sample of 800 and 100% of all children in care for three year – 587). The Department of Health and Human Services estimates the cost of per review to be \$160. This is based on the reviews conducted under the federal Children and Family Services Review. Review and analysis of the information would be approximately \$20,000. Total costs would be \$241,920 annually.

The survey could be contracted at a cost of \$39,000 in FY 12 and \$25,000 in FY 13.

Note the cost to HHS would be general funds that would be transferred to the Foster Care Review Board. Those funds would then be appropriated as cash.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Elton Larson	DATE	2/16/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF HEALTH AND HUMAN SERVICES: Agency estimate appear reasonable.					

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LEGISLATIVE FISCAL 2011

LB(1) 0651

FISCAL NOTE

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name: (2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared: (4) February 14, 2011

Phone: (5) 471-8072

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$367,238		\$340,838	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$367,238</b>	<b>\$0</b>	<b>\$340,838</b>	<b>\$0</b>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The act, as written, would require a program audit of foster care placements consisting of a random sample of foster care placements and a complete review of all foster care placements that have been in foster care for over three years. During SFY2010 there were 17,851 placements involving 8,191 children. Within this group of children there were 587 who had been in out-of-home placement for three years or more. Taking these 587 children plus a random sample of 800 from the remainder would require a program audit of about 1,387 children.

The program audit would be the most expensive part of the act if one assumes that the program audit case reviews are as intensive as a federal Child and Family Services Review (CFSR). CFSR reviews measure outcomes in the domains of safety, permanency, and child and family well-being and the systemic factors that affect outcomes for children and families. Such reviews may typically take a minimum of at least eight (8) hours per review not factoring in possible interviews with caseworkers, foster parents, etc.

Assuming 8 hours per review at \$20 per hour each sample review would cost a minimum of \$160, or \$221,920 for all 1,387 reviews.

Development of a program audit questionnaire (first year only), sample frame and sample selection, data analysis, and report preparation are estimated to be \$39,300 for the first year and \$23,300 for subsequent years.

During the first year it will probably be necessary for the survey firm to make some on-site visits for planning and consultation. Assuming a minimum of twelve such visits the estimated costs for travel, meals, and lodging is \$7,200 (first year cost).

The estimated total cost of the program audit would be \$268,420 for the first year and \$245,220 for subsequent years.

The act would also require a survey of foster parents, both current foster parents and those who have left the foster care system in the previous three years, state caseworkers and contracted case workers, guardians ad litem, and court appointed special advocate volunteers. The approximate number of persons that would need to be surveyed would be as follows:

Current foster parents	3,703
Foster parents who have left the FC system in previous three years	6,156
State caseworkers	341
Contracted caseworkers	217
Guardians ad litem	278
Court appointed special advocate volunteers	404
<b>Total</b>	<b>11,099</b>

The fiscal estimate assumes these groups would be surveyed by a mail-in questionnaire however it may be possible to survey some groups with a cheaper web-based survey.

Assuming a cost of \$5 per survey with a callback rate of 60% at \$2 per survey, the estimated cost for the distribution and collection of the survey would be \$68,813 (( $\$5 \times 11,099$ ) + ( $0.6 \times \$2 \times 11,099$ )).

Development of a survey questionnaire (first year only), data analysis, and report preparation are estimated to be \$9,200 for the first year and \$6,000 for subsequent years.

The estimated total cost of the survey would be \$78,013 for the first year and \$74,813 for subsequent years.

Taken together the estimated cost for the program audit and the survey would be \$346,433 for the first year and \$320,033 for subsequent years.

In order to request, catalog, and disseminate case files to survey reviewers it is assumed that each case file would require at a minimum of one hour of time at \$15 per hour at a total cost of \$20,805.

The total fiscal impact to the Department of Health and Human Services would be an increase of \$367,238 in administrative funds in the first year and \$340,838 for each of the subsequent four years.

Note that this estimate does not include costs that the Foster Care Review Board (FCRB) may include within the scope of this act for additional staff, costs of developing an RFP, etc. which may require additional DHHS administrative funds for transfers to the FCRB.

MAJOR OBJECTS OF EXPENDITURE				
PERSONAL SERVICES:				
POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
Benefits.....				
Operating.....			\$367,238	\$340,838
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$367,238</b>	<b>\$340,838</b>

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2011

LB<sup>(1)</sup> 651 FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Foster Care Review Board

Prepared by: <sup>(3)</sup> \_\_\_\_\_ Date Prepared: <sup>(4)</sup> 2-15-11 Phone: <sup>(5)</sup> \_\_\_\_\_

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 651 requires a full survey of current foster parents, former foster parents over the past 3 years, DHHS workers, Private Agency workers, Guardians ad litem and CASA staff which would be approximately 10,000 persons. Additionally, the Bill requires a program audit of a random sampling of 800 foster care placements and all foster care placements that have been in foster care for over three years.

To meet the requirements of LB 651 as written, would cost an estimated \$255,000.

- \$55,00 for a Survey
- \$200,000 for a Program Audit

Major Objects of Expenditure

# of positions	FY 2011-2012	FY 2012-2013	FY 2011-2012 Expenditures	FY 2012-2013 Expenditures
		Benefits		
		Operating	\$255,000	\$255,000
		Travel		
		Capital Outlay		
		Aid		
		Capital improvements		
		Total	\$255,000	\$255,000

**Survey of all entities: 10,000 persons**

FY 2011-2012

FY 2012-2013

	Expenditures	Revenue	Expenditures	Revenue
General Fund	\$55,000		\$55,000	
Cash Fund				
Federal Fund				
Other Fund				
Total Fund	\$55,000		\$55,000	

This cost would include the following:

- Consultant to assist in developing questions for the Survey
- FCRB Staff time to develop a list of persons to be contacted. According to one research entity contacted, the Foster Care Review Board would need to supply the questions that would be asked and a list names and addresses that the surveys would be sent to.
- The contract entity would:
  - Print and send these surveys & two reminder postcards
  - Collect the surveys as they return and enter the data
  - Run the Statistics and evaluate the data
  - Prepare a baseline aggregate report containing the data

**Program Audit**

FY 2011-2012

FY 2012-2013

	Expenditures	Revenue	Expenditures	Revenue
General Fund	\$200,000		\$200,000	
Cash Fund				
Federal Fund				
Other Fund				
Total Fund	\$200,000*		\$200,000*	

This cost would include the following:

- Consultant to assist in developing questions for the Program Audit
- FCRB Staff time to develop a list of persons to be contacted. According to one research entity contacted, the Foster Care Review Board would need to supply the questions that would be asked and a list names and addresses that the surveys would be sent to.
- Contract Staff would:
  - Print and send these surveys & two reminder postcards
  - Collect the surveys as they return and enter the data
  - Run the Statistics and evaluate the data
  - Prepare a baseline aggregate report containing the data